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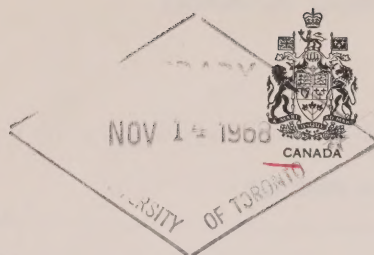
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# ADVERTISING EXPENDITURES IN CANADA

1965

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### SYMBOLS

The following standard symbols are used in Dominion Bureau of Statistics publications:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil or zero.
- amount too small to be expressed.
- p preliminary figures.
- r revised figures.
- x confidential to meet secrecy requirements of the Statistics Act.

### SIGNES CONVENTIONNELS

Les signes conventionnels suivants sont employés uniformément dans les publications du Bureau fédéral de la statistique:

- .. nombres indisponibles.
- ... n'ayant pas lieu de figurer.
- néant ou zéro.
- nombres infimes.
- p nombres provisoires.
- r nombres rectifiés.
- x confidentiel en vertu des dispositions de la Loi sur la statistique relatives au secret.

## INTRODUCTION

Advertising expenditures included in this report are made up of the advertising revenues of the various media situated in Canada (printing, publishing and allied industries, radio and television stations, signs and display industry), the commissions of advertising agencies, the internal costs of advertisers and miscellaneous items. Therefore, the figures are total expenditures **in Canada** and not total expenditures of Canadian advertisers. An exception to this is the inclusion of the value of imported printed matter, stereotypes and so forth, shown in Table 13, and certain out-of-Canada costs shown in Table 8.

Not considered as advertising for the purpose of this survey, and excluded by instructions to advertisers, are expenditures on sales promotion or similar plans involving samples and premiums, expenditures on measurements of the effectiveness of advertising, market surveys and other research work, fairs and exhibitions, package design, annual reports and house organs. Expenditures on catalogues and window displays were collected in such a way that they can be included or excluded as the expert user of the data may decide.

A different type of survey that would have ascertained all advertising expenditures would have required a costly procedure of sending a questionnaire to each individual advertiser in the country. The approach through the media, therefore, was adopted for reasons of economy. The Dominion Bureau of Statistics has regular surveys every year of the major media — the printing, publishing and allied industries, radio and television stations, and the bulk of the sign and display industry. With advertising data from these surveys to start

with, the survey went on to get information about the revenue derived from billboard advertising, streetcar, bus and other transit system advertising, direct mail costs attributed to advertising, the cost of imported advertising material, etc.

The media revenue excluded advertising agencies' commissions, information about which is available directly from the annual DBS report on advertising agencies, and this is noted as a separate item in the list of advertising expenditures. In the last survey of advertising expenditures made by the Dominion Bureau of Statistics for 1964 (published as DBS Catalogue No. 63-512), there was no estimate for the expenditures by advertisers on their own advertising efforts — e.g. overhead of an advertising department or show cards made by their own staff. For statistical purposes, these have been called internal costs and were measured for the last time during a survey carried out by DBS for 1954 (published as DBS Catalogue (No. 63-501). For 1954 internal costs accounted for 8 per cent of total advertising expenditures. Data on internal costs were collected again during the present study for 1965. It was found that they increased by 160.3 per cent from 1954 reaching an amount of \$83,165,952 or 9.1 per cent of the 1965 total.

During this survey a special effort was made to collect from advertisers not only "internal costs" but also "external costs" to provide total advertising costs from which ratios of advertising to sales or shipments could be calculated. This matter will be discussed in more detail in the last section of this report. A new feature of the 1965 report is a tabulation of the expenditures of various industries by type of advertising medium.



## SECTION A. SUMMARY OF RESULTS

Estimated advertising expenditures in Canada for 1965 amounted to \$909,849,961, while the Gross National Product reached \$52,109 million. These figures indicate that in 1965 Canadians devoted 1.75 per cent (as compared to 1.60 per cent in 1954) of the Gross National Product to advertising expenditures. Table 1 indicates that between 1954 and 1965 the grand total of advertising expenditures increased by 128.1 per cent.

The largest component of advertising expenditures is for the goods and services of the printing, publishing and allied industries. Advertising revenue of these industries, representing an increase of 85.1 per cent over 1954, accounted for 52.9 per cent of total expenditures in 1965. The 1965 total of \$481,495,880 for printed advertising comprises \$360,780,880 as advertising revenue of Canadian newspapers and periodicals and \$120,715,000 for the printing of catalogues and other printed advertising matter. More detailed discussion of this subject may be found in the section "Printed advertising" which follows.

Radio advertising revenue, at \$70,640,099, accounted for 7.8 per cent of the total, while television, recording an increase of 965.2 per cent since 1954, reached the amount of \$91,558,760 or

10.1 per cent of the total in 1965. Advertising agencies' commissions reached \$52,883,006, compared with \$23,229,612 attained eleven years earlier.

Outdoor advertising accounted for \$60,724,784 and included advertising revenues of firms producing neon and other electric and non-electric signs, revenues of show card painters, sign writers, sign painters and other sign producers; revenues of firms in other outdoor advertising activities, e.g., renting space, putting up billboard or poster displays, etc., and advertising revenues of firms placing advertising matter in streetcars, buses and other transit systems. The amount of \$60,724,784 for 1965 is 244.9 per cent greater than the corresponding figure of \$17,607,278 recorded in 1954.

Direct mail (postage) increased by 210.6 per cent and accounted for \$34,648,575 versus \$11,155,000 for 1954. So called internal costs of advertisers advanced sharply by 160.3 per cent reaching \$83,165,952 in 1965 as against \$31,953,252 recorded for 1954. Miscellaneous advertising revenues jumped in the period under discussion by 139.8 per cent from \$14,482,476 to \$34,732,905.

TABLE 1. Estimated Advertising Expenditures in Canada, 1954 and 1965

Component	1954	1965	Change 1965/54
	dollars		%
<b>Totals, all components</b> .....	<b>398,843,452</b>	<b>909,849,961</b>	<b>128.1</b>
Printed advertising .....	260,109,518	481,495,880	85.1
Radio .....	31,710,690	70,640,099	122.8
Television .....	8,595,626	91,558,760	965.2
Advertising agencies' commissions .....	23,229,612	52,883,006	127.7
Outdoor advertising .....	17,607,278	60,724,784	244.9
Direct mail (postage) .....	11,155,000	34,648,575	210.6
Advertising departments of advertisers (internal costs) ....	31,953,252	83,165,952	160.3
Miscellaneous .....	14,482,476	34,732,905	139.8

## SECTION B. ADVERTISING EXPENDITURE COMPONENTS

## Printed Advertising

## Newspapers and Periodicals

For many years the Dominion Bureau of Statistics published an annual report entitled "The Printing Trades". This publication ceased with the 1959 number. For the years 1960 to 1962 statistics were issued in the following four publications: "Commercial Printing Industries";

"Engraving, Stereotyping and Allied Industries"; "Publishing Industry"; "Printing and Publishing Industry".

Four separate publications have been discontinued and beginning with 1963 only one publication is prepared with the title "Printing, Publishing and Allied Industries". It shows advertising



revenues as a separate item. The information compiled for this report has been used in the survey of advertising expenditures in Canada, 1965. Table 2 gives historical data of advertising revenue of Canadian newspapers and periodicals from 1954 until 1965. The data are broken down by type of publication. In Table 3 a distinction is made between advertising revenue for 1965 of newspapers and periodicals printed in publishers' own

plants and advertising revenue of newspapers and periodicals not printed by the publishers. The total advertising revenue of Canadian newspapers and periodicals in 1965 amounted to \$360,780,880, an increase of 85.4 per cent over revenue of \$194,621,715 for 1954.

Imported printed advertising matter is included with miscellaneous revenues rather than here.

**TABLE 2. Advertising Revenue of Canadian Newspapers and Periodicals, 1954-65**

Year	Newspapers			Magazines of general circulation	Trade, technical and scientific	Agri- cultural publi- cations	All other	Total
	Daily	National week-end	Weekly, bi-weekly, tri-weekly					
	dollars							
1954 .....	116,112,974	11,565,838	17,784,819	14,280,092	15,237,728	4,910,603	14,729,661	194,621,715
1955 .....	127,224,192	12,822,142	19,274,666	15,719,984	16,290,234	4,706,426	16,436,483	212,474,127
1956 .....	142,409,186	14,701,388	19,343,798	17,940,227	20,641,699	6,310,789	18,750,221	240,097,308
1957 .....	146,388,471	15,234,215	19,217,282	18,109,182	22,876,176	6,217,435	21,532,407	249,575,168
1958 .....	152,536,489	15,457,410	20,306,377	17,798,132	23,382,762	6,303,824	25,238,467	261,023,461
1959 .....	166,316,236	15,356,837	21,900,462	18,512,676	25,182,634	6,750,578	28,933,803	282,953,226
1960 .....	169,927,549	17,089,079	23,916,179	21,033,305	25,760,200	6,439,865	30,717,063	294,883,240
1961 .....	174,158,578	16,934,738	23,691,553	19,801,359	25,214,701	5,756,839	33,120,092	298,677,860
1962 .....	184,054,048	17,018,365	24,907,895	17,875,244	24,547,153	5,529,466	34,979,969	308,912,140
1963 .....	187,619,226	17,039,427	24,878,529	17,319,948	24,932,700	5,617,089	35,900,016	313,306,935
1964 .....	195,894,340	17,935,294	26,256,104	17,817,894	26,399,722	5,551,268	37,726,851	327,581,473
1965 .....	220,822,462	17,393,759	29,466,378	19,650,618	29,930,500	4,230,163	39,287,000	360,780,880

**TABLE 3. Advertising Revenue of Canadian Newspapers and Periodicals, by Classes, 1965**

Class	Periodicals printed in publishers' own plants	Periodicals not printed by the publishers	Total, all periodicals
dollars			
Newspapers, daily .....	220,406,000	416,462	220,822,462
"    national, week-end .....	15,919,000	1,474,759	17,393,759
"    weekly, semi-weekly .....	20,438,000	9,028,378	29,466,378
Controlled distribution, weekly newspapers .....	853,000	642,000	1,495,000
Magazines of general circulation .....	8,415,000	11,235,618	19,650,618
Telephone and city directories .....	149,000	34,641,000	34,790,000
Trade, technical and scientific publications .....	14,732,000	15,198,500	29,930,500
Agricultural publications .....	2,320,000	1,910,163	4,230,163
Religious publications .....	155,000	428,000	583,000
School and collegiate publications .....	1	1	176,000
Fraternal publications .....	1	1	372,000
Juvenile publications .....	1	1	31,000
All other periodicals .....	1,052,000	1,367,000	1,840,000
<b>All newspapers and periodicals .....</b>	<b>284,439,000</b>	<b>76,341,880</b>	<b>360,780,880</b>

<sup>1</sup> Included with "All other periodicals".

### Other Printed Advertising

Table 4 gives data concerning other printed advertising revenue, exclusive of advertising in newspapers and periodicals, from 1954 to 1965. The largest single item included under this category is catalogues which amounted to \$30,624,000, or an increase of 94.0 per cent over \$15,782,725 for 1954. All other printed books chiefly for advertising totalled \$5,358,598 in 1958 compared with \$3,908,827 for 1954. Since 1959 this item has been included with all other printed advertising matter. In Table 4 it is shown that other printed advertising revenue for 1965 totalled \$120,715,000 (\$65,487,803 in 1954) and consisted of \$30,624,000 for catalogues and \$90,091,000 for all other which

included expenditures on the printing of calendars, circulars, price lists, dodgers, folders, posters, etc. As with catalogues this amount does not represent total cost, since expenditures involved in preparing such advertising matter for printing will usually be considered as part of the internal costs of advertisers.

### Trade Work

As with the 1954 survey, the amount of trade work (electrotyping, photo engraving, trade composition and so forth) done directly for advertisers and advertising agencies has not been ascertained.

**TABLE 4. Other Printed Advertising Revenue, 1954 - 65**

Year	Catalogues	All other printed books chiefly for advertising	All other printed advertising matter	Total
dollars				
1954 .....	15,782,725	3,908,827	45,796,251	65,487,803
1955 .....	16,065,372	4,803,465	51,249,039	72,117,876
1956 .....	16,422,405	5,277,934	56,619,521	78,319,860
1957 .....	17,812,529	5,654,609	60,093,857	83,560,995
1958 .....	17,365,913	5,358,598	60,812,195	83,536,706
1959 .....	21,759,925	<sup>1</sup>	56,998,721	78,758,646
1960 .....	23,134,516	<sup>1</sup>	62,192,010	85,326,526
1961 .....	23,193,406	<sup>1</sup>	66,992,595	90,186,001
1962 .....	23,428,785	<sup>1</sup>	69,551,093	92,979,878
1963 .....	26,406,000	<sup>1</sup>	76,676,000	103,082,000
1964 .....	26,608,000	<sup>1</sup>	84,346,000	110,954,000
1965 .....	30,624,000	<sup>1</sup>	90,091,000	120,715,000

<sup>1</sup> Included with "All other printed advertising matter".

**TABLE 5. Advertising Revenue of Radio and Television Stations, by Type of Program, 1965**

Medium	Network and national	Local	Total
dollars			
Radio .....	29,186,396	41,453,703	70,640,099
Television .....	72,808,024	18,750,736	91,558,760

### Radio and Television

Information which appears in this section has been published by the Dominion Bureau of Statistics which annually surveys the Canadian broadcasting industry. The data are compiled from an annual broadcasting questionnaire which also meets the requirements of the Board of Broadcast Governors and the Department of Transport.

Table 5 reveals that for 1965, in Canada, advertising revenue amounted to \$70,640,099 and

\$91,558,760 for radio stations and television stations, respectively. In comparison with 1954 the advertising revenue of radio stations increased by 122.8 per cent and of television stations by 965.2 per cent. All such media totals are exclusive of advertising agencies' commissions. To obtain the total of advertisers' expenditures on radio or television advertising, the commission of advertising agencies should be added to these amounts. An indication of this can be obtained from Table 6 on advertising agencies where the proportion of their billings for advertising through the radio and television media is shown.



All private commercial broadcasting stations and the Canadian Broadcasting Corporation were surveyed to obtain their net revenue from advertising. Non-commercial stations are not included. It should be noted that data for privately-owned stations are for those stations whose fiscal year ends within the calendar year 1965. Information for the CBC is for the fiscal year 1965-66. The net revenue from advertising included charges billed either directly to advertisers or through advertising agencies and consists of station time, production and talent costs, announcers' fees and line charges. All broadcasting stations report advertising revenue received from network, national and local advertising net of advertising agency commissions.

Network advertising revenue consists of revenue received for advertising when a station is attached to a network. Arrangements are generally made by the advertiser or his agency directly with the CBC or with the other networks. In the case of a non-CBC network, arrangements may be made with the station originating the program. The individual stations show as revenue only the amount that was received from the network. National advertising represents those programs or short interludes where the advertiser, or his agency, makes all arrangements directly with the individual stations and pays them at a national rate. Such advertising is generally of a national product but need not be national in broadcast coverage. Local advertising revenue is revenue received from local or district advertisers for programs or announcements broadcast on a non-network basis.

The estimate for production work by producers outside of the radio or television stations, whether billed to advertisers directly or through advertising agencies, is included in the miscellaneous section rather than in the figure for radio and television. Excluded from this report entirely are the production or talent costs for programs originating in other

countries but channelled through Canadian networks.

### Advertising Agencies

Advertising agencies act as intermediaries between the advertisers and the various media in which the advertising is placed. On behalf of their clients, advertising agencies make contracts for space or time with the printing trades, outdoor advertising firms, radio and television stations. They engage in the preparation of advertising material and advise their clients in a number of respects regarding their advertising program. The recognized agencies operate on a commission basis with the media through which they place their clients' advertising.

In 1965, 159 advertising agencies operated in Canada, an increase of 68 over 1954. Their total commissionable billings amounted to \$354,650,007 (\$154,467,028 in 1954) on which they received commissions amounting to \$52,883,006, an increase of 127.7 per cent over 1954. As already pointed out, the various media figures do not include the commissions of recognized advertising agencies. The amount of agencies' gross revenue on commissionable billings must, therefore, be taken into consideration to produce an estimate of total advertising expenditures for 1965.

The information shown on advertising agencies in this section of the report is available to a much greater extent from the regular annual DBS publication issued under the title "Advertising Agencies, 1965", Catalogue No. 63-201. However, Table 6 of the present report shows the percentage distribution of commissionable billings by medium and agency commissions for the period from 1954 to 1965. An estimate of production work on advertising material either by independent artists or agencies' own staff is included in the miscellaneous section rather than here.

**TABLE 6. Percentage Distribution of Commissionable Billings by Medium, and Agency Commissions, 1954 - 65**

Year	Total commissionable billings	Percentage distribution of commissionable billings						Agency commissions
		Publications	Other visual	Production, artwork, etc.	Radio	Television	Other	
	dollars	per cent						dollars
1954 .....	154,467,028	56.4	4.5	17.3	15.4	5.5	0.9	23,229,612
1955 .....	174,924,772	53.3	5.5	15.1	11.9	13.5	0.7	26,468,551
1956 .....	201,797,434	52.6	4.4	15.3	10.3	16.6	0.8	30,452,807
1957 .....	222,025,288	51.6	4.4	15.1	10.0	18.3	0.6	33,377,463
1958 .....	233,789,205	49.3	4.7	14.4	10.5	20.5	0.6	35,227,406
1959 .....	250,080,021	47.8	4.8	14.7	10.6	21.3	0.8	37,678,828
1960 .....	267,756,156	47.2	5.1	18.7	9.7	19.3	--	39,993,639
1961 .....	277,805,963	45.5	4.6	19.0	9.4	21.4	0.1	41,253,508
1962 .....	293,028,021	44.0	5.1	17.2	10.8	22.8	0.1	43,496,564
1963 .....	296,762,297	42.2	4.6	16.2	10.7	26.3	--	44,270,021
1964 .....	311,332,070	40.4	3.9	18.4	10.5	26.7	0.1	46,596,607
1965 .....	354,650,007	39.5	3.7	18.9	10.4	27.4	0.1	52,883,006

### Outdoor Advertising

Table 7 shows the two components of expenditures for outdoor advertising. The amount of \$41,036,000, which is advertising revenues of manufacturers of neon and other electric and non-electric signs, has been arrived at by adjusting the data published in the Dominion Bureau of Statistics publication "Signs and Display Industry, 1965" in accordance with reports obtained from important producers.

The figure for neon and other electric and non-electric signs published in "Advertising Expenditures in Canada, 1964" bearing Catalogue No. 63-512, occasional, has been revised since

its publication in April 1967. The revised amount for neon and other electric and non-electric signs for 1964 is estimated at \$32,450,000 and not at \$27,418,000 as previously published.

The second component in Table 7, \$19,688,784, comprises, as indicated in the description, several different types of advertising expenditure which could not be published separately because relatively small numbers of firms are engaged in the production of any one type of advertising material or service. Hence the individual types of expenditure had to be suppressed to prevent disclosure of confidential information. This information was obtained by a special mail survey of the firms concerned.

**TABLE 7. Outdoor Advertising, 1965**

Component	Amount
	\$
Neon and other electric and non-electric signs .....	41,036,000
Firms in other outdoor advertising business (renting space, putting up billboards or other displays, placing advertising matter in streetcars, buses and other transit systems and so forth); advertising revenue of other sign producers, show card writers, sign painters, etc. ....	19,688,784
<b>Total</b> .....	<b>60,724,784</b>

### Direct Mail Advertising

An arbitrary estimate of 75 per cent of total third-class mail was used to arrive at the postal charge for direct mail advertising of \$34,648,575 in 1965, compared with \$11,155,000 for 1954 or an increase of 210.6 per cent.

### Internal Costs of Advertisers

The internal advertising costs of advertisers form a substantial part of the total advertising outlay and are a segment of advertising not included in the media data. These so called internal costs represent salaries and wages of advertising staff, allocation of overhead costs to the advertising department, supplies used, etc. Any outside billings were excluded from this figure since that part of the advertising costs would be obtained from the media, whether part of the revenue of printing trades, outdoor advertising, radio stations, television stations or other.

Table 8 shows that total internal advertising costs of advertisers for 1965 reached \$83,165,952. The comparable figure for 1954 was \$31,953,252. Main components of this amount consist of internal costs of manufacturers \$42,242,498 or 50.8 per cent, retailers \$20,289,487 or 24.4 per cent, wholesalers \$7,227,564 or 8.7 per cent and others \$13,406,403 or 16.1 per cent.

The survey of advertisers was carried out to provide an estimate of total internal costs and an estimate of expenditure outside Canada. This

study also requested information about expenditures on catalogues and window display and whether or not these were included in internal costs reported. Replies made it possible to include or exclude such costs in the final compilation. Users of this report, depending on their particular viewpoint as to whether catalogues and window displays are or are not considered as advertising, can leave them as part of internal cost or exclude them. See Table 8.

By instruction, expenditures on sales promotion or other plans involving free samples or premiums were not included nor were expenditures on fairs and exhibitions, new package design, annual reports, etc. In all, some 10,000 advertisers were heard from, covering the following broad fields: manufacturing, wholesale trade, retail trade, service trades, transportation and other utility companies, communications, provincial and federal governments, financial institutions such as insurance companies, trust companies, chartered and savings banks, etc.

When comparing out of Canada costs for 1965 and 1954, there will be noticed, on the one hand, a very substantial decrease in these expenditures for retail trade and, on the other hand, a large increase in these expenditures for wholesale trade. This is due to a change in classification of a few kinds of business usually advertising more extensively outside Canada. Businesses which have changed their classification, among others, are those dealing in farm machinery and equipment and in lumber and millwork. Since 1961 they have been classified to wholesale trade and not to retail trade as formerly.



TABLE 8. Internal and Certain Other Advertising Costs of Advertisers, 1965

Industry	Total internal advertising costs	Catalogue costs		Window displays <sup>1</sup>	Out of Canada costs
		External	Internal <sup>1</sup>		
		dollars			
Manufacturing .....	42,242,498	15,978,800	2,702,967	4,790,597	7,098,119
Retail trade .....	20,289,487	20,622,166	2,128,696	5,985,312	2,175
Wholesale trade .....	7,227,564	4,336,564	1,016,872	587,078	141,072
Transportation and other public utilities .....	2,914,265	112,850	14,714	421,198	5,273,052
Telecommunication .....	3,387,533	4,669	—	77,302	6,897
Hotels .....	2,299,964	131,954	17,011	12,712	743,368
Restaurants .....	413,067	38,750	—	41,500	1,562
Other services (advertising agencies, power laundries and dry cleaning plants, theatres), government, banks, insurance companies, etc. ....	4,391,574	52,862	19,963	418,907	3,548,919
<b>Totals .....</b>	<b>83,165,952</b>	<b>41,278,615</b>	<b>5,900,223</b>	<b>12,334,606</b>	<b>16,815,164</b>

<sup>1</sup> Included in total internal advertising costs.

### External Costs of Advertisers

During the survey of advertising expenditures for 1965, all respondents were asked to provide a distribution of their external costs by medium. Table 9 gives a summary of the results of this survey. The 1965 grand total of external costs was \$680,965,200. External costs of advertisers consist of payments to firms of any kind for advertising services, for planning and executing advertising campaigns, for pictorial or printed matter, space, time (radio or TV), commercial films, etc. By far the largest portion of external costs went to publications, followed by other media, some of which were specified (radio or TV for instance) and some others left unnamed.

It must be pointed out that the percentage distribution of external advertising expenditures by medium reported in Table 9, represents results of the study only for those advertisers who were able to report a precise distribution of their external costs. Therefore, percentages shown in Table 9 should be taken as an indication and not as necessarily representing an actual situation existing in respective industries.

It has been noticed that — to a large extent — advertisers have included in their TV expenditures not only their payments to TV media for space and time, but also different other charges related to TV advertising, e.g., payments to performing artists, costs for talent, salaries of campaign managers, salaries of impresarios, etc.

Proportionally the highest use of publications in advertising matters is made by retail trade, department stores (93.32 per cent), followed by insurance companies (64.30 per cent), banks (63.66 per cent), wholesale trade (62.37 per cent) and establishments belonging to transportation and other public utilities except telecommunication.

According to Table 9 manufacturers have the greatest preference for TV, and the medium of radio is especially favoured by restaurants. From the distribution of external costs it may be stated that in dollar value manufacturers spend the most on advertising in Canada, or \$403,509,592, followed by retailers and wholesalers.

Table 10 indicates the distribution of external advertising costs of 20 manufacturing industry major groups. Two of them, namely, foods and beverages and chemical products have the highest external costs. Both groups spend the largest proportion of their external expenditures on TV. With respect to the total external advertising costs of manufacturers (\$403,509,592), 35.66 per cent is spent on publications, 36.80 per cent on TV, 8.73 per cent on radio and the remainder on other media.

Tables 11 and 12 give a distribution of external advertising expenditures by medium for retail trade and transportation and other public utilities respectively.

When discussing external costs of advertisers, it might be pointed out that the sum of external and internal expenditures should amount to approximately the grand total of \$909,849,961, given in Table 1. At the completion of this survey, however, it has been found that external and internal expenditures reached, for 1965, \$680,965,200 and \$83,165,952 respectively. In order to arrive at the total given in Table 1, the amounts for external and internal costs should be increased by approximately \$145 million. This figure is the estimated cost of advertising of all those business establishments, other companies and private persons who were not covered by this study. Not contacted by this survey of advertising expenditures for 1965, were the following kinds of establishments: educational, health and welfare, religious, municipal governments, associations, fraternal organizations, political parties, labour unions personal households and so forth.

**TABLE 9. Selected Industries, Distribution of External Advertising Expenditures by Medium, 1965**

Industry	Amount	Percentage distribution by medium			
		Publications	TV	Radio	Other
	\$	%			
Manufacturing .....	403,509,592	35.66	36.80	8.73	18.81
Retail trade, independent stores .....	52,405,173	55.01	7.81	17.64	19.54
Retail trade, chain stores .....	46,116,621	53.65	4.42	13.77	28.16
Retail trade, department stores .....	52,731,556	93.32	1.51	2.16	3.01
Wholesale trade .....	41,103,388	62.37	6.07	6.55	25.01
Transportation and other public utilities except telecommunication .....	23,341,483	60.90	7.56	9.09	22.45
Telecommunication .....	8,226,446	59.30	16.69	3.54	20.47
Hotels .....	7,775,026	44.59	5.49	9.01	40.91
Restaurants .....	4,969,216	44.85	8.13	26.41	20.61
Banks .....	8,663,933	63.66	0.06	0.36	35.92
Insurance .....	6,961,344	64.30	8.22	0.90	26.58
Trust and finance companies .....	6,455,936	45.95	4.70	16.88	32.47
Other (advertising agencies, power laundries and dry cleaning plants, film distributors, theatres, motion picture production, funeral directors, construction companies, government departments and miscellaneous) .....	18,705,486	55.10	9.30	14.29	21.31
<b>Totals .....</b>	<b>680,965,200</b>				

**TABLE 10. Manufacturing Industries (Major Groups), Distribution of External Expenditures by Medium, 1965**

Industry	Amount	Percentage distribution by medium			
		Publications	TV	Radio	Other
	\$	%			
Foods and beverages .....	125,809,590	23.42	48.63	14.13	13.82
Tobacco products .....	16,189,182	34.16	18.62	24.02	23.20
Rubber products .....	5,557,074	43.25	15.65	1.72	39.38
Leather products .....	2,761,799	59.00	19.20	2.17	19.63
Textiles .....	9,324,037	57.91	12.13	9.23	20.73
Knitting mills .....	3,381,642	78.90	2.02	0.80	18.28
Clothing .....	9,782,975	75.29	4.12	3.99	16.60
Wood .....	2,154,369	67.33	1.58	4.48	26.61
Furniture and fixtures .....	5,200,036	71.10	5.52	2.88	20.50
Paper and allied industries .....	8,760,112	44.09	36.70	2.74	16.47
Printing, publishing and allied industries .....	7,614,033	53.50	12.40	12.76	21.34
Primary metal .....	3,997,273	75.72	3.48	6.09	14.71
Metal fabricating (except machinery and transportation equipment) .....	14,416,005	51.42	31.40	3.64	13.54
Machinery (except electrical machinery) .....	10,558,066	73.47	7.82	1.26	17.45
Transportation equipment .....	36,743,475	48.74	20.60	6.04	24.62
Electrical products .....	21,596,066	52.72	15.40	2.63	29.25
Non-metallic mineral products .....	5,352,687	54.50	0.63	0.57	44.30
Petroleum and coal products .....	16,378,829	14.70	41.08	9.59	34.63
Chemicals and chemical products .....	79,374,499	19.93	58.78	6.06	15.23
Miscellaneous .....	18,557,843	41.61	37.78	3.16	17.45
<b>Totals .....</b>	<b>403,509,592</b>	<b>35.66</b>	<b>36.80</b>	<b>8.73</b>	<b>18.81</b>



**TABLE 11. Retail Trade, Distribution of External Advertising Expenditures by Medium, 1965**

Industry	Amount	Percentage distribution by medium			
		Publi- cations	TV	Radio	Other
	\$	%			
Independent stores .....	52,405,173	55.01	7.81	17.64	19.54
Chain stores .....	46,116,621	53.65	4.42	13.77	28.16
Department stores (excluding discount stores) .....	51,202,430	94.13	1.45	1.96	2.46
Discount stores .....	1,529,126	65.96	3.51	8.97	21.56
Department stores - Total .....	52,731,556	93.32	1.51	2.16	3.01
<b>Total .....</b>	<b>151,253,350</b>				

**TABLE 12. Transportation and Other Public Utilities, Distribution of External Advertising Expenditures by Medium, 1965**

Industry	Amount	Percentage distribution by medium			
		Publi- cations	TV	Radio	Other
	\$	%			
Air .....	10,722,820	61.24	4.51	8.33	25.92
Bus .....	634,558	47.95	10.55	12.67	28.83
Rail, truck, water .....	6,751,157	74.12	4.11	5.37	16.40
Urban .....	487,048	37.31	10.39	8.00	44.30
Hydro-electric .....	3,537,306	42.55	19.48	15.95	22.02
Gas distribution .....	1,180,139	52.92	16.75	15.44	14.89
Pipelines .....	28,455	98.25	—	—	1.75
<b>Total .....</b>	<b>23,341,483</b>	<b>60.90</b>	<b>7.56</b>	<b>9.09</b>	<b>22.45</b>

**Miscellaneous**

Miscellaneous items of advertising expenditures for which data are available totalled \$34,732,905 in 1965 against \$14,482,476 for 1954, or an increase of 139.8 per cent. See Table 13. The chief component in this section represents the value of imported advertising matter, including such items as advertising printed matter, imported stereotypes, electrotypes and imported TV commercials. The total import value of these items amounts to \$11,794,347. The second component in Table 13 represents theatre revenue from screenings of advertising films and accounts for \$95,311. Table 13

shows that revenue from the production of motion picture films in Canada used for advertising purposes is estimated at \$4,350,000. Advertising work of commercial artists and photographers amounts to \$4,451,255.

In this miscellaneous section there is an item which should be noted for its importance. Revenue of independent radio and television program producers amounts to \$7,441,423. Lesser amounts noted in Table 13 cover creative work performed by advertising agencies' own staff, door-to-door household delivery of advertising matter and window display service.

**TABLE 13. Miscellaneous Advertising Revenues, 1965**

Component	Amount
	\$
Imported advertising, (printed matter as well as imported stereotypes, electrotypes, TV commercials)	11,794,347
Theatre revenue from screenings of advertising films	95,311
Revenue from the production of motion picture films in Canada used for advertising purposes	4,350,000
Advertising work of commercial artists and photographers	4,451,255
Independent radio and television program producers	7,441,423
Creative work performed by advertising agencies' own staff	3,614,697
Window display service	1,073,654
Door-to-door household delivery	1,912,218
<b>Total</b>	<b>34,732,905</b>

**SECTION C. ADVERTISING RATIOS**

Probably the most important result of the survey of advertising expenditures for 1965 is the tabulation and publication of advertising ratios (advertising expenditures as a percentage of total shipments, revenues, or sales) for manufacturing

industry groups, individual industries, retail trade, wholesale trade and other selected trades.

Table 14 gives advertising ratios for industry major groups and for all manufacturing.

**TABLE 14. Advertising Ratios in Manufacturing by Industry Major Groups, 1965**

Industry group	Ratio of advertising to shipments	Industry group	Ratio of advertising to shipments
	%		%
Foods and beverages	2.03	Primary metal	0.16
Tobacco	5.08 <sup>1</sup>	Metal fabricating industries (except machinery and transportation equipment industries)	0.62
Rubber	1.27	Machinery (except electrical machinery)	0.84
Leather	0.90	Transportation equipment	0.90
Textile	0.81	Electrical products	1.15
Knitting mills	1.09	Non-metallic mineral products	0.55
Clothing	1.01	Petroleum and coal products	1.15
Wood	0.18	Chemicals and chemical products	3.85
Furniture and fixtures	1.09	Miscellaneous manufacturing	2.17
Paper and allied industries	0.36	<b>Total, all manufacturing</b>	<b>1.25</b>
Printing, publishing and allied industries	0.97		

<sup>1</sup> If the value of shipments includes taxes, the ratio is 2.14.

Table 14 shows that the highest ratio of advertising to value of shipments is recorded for tobacco and chemicals and chemical products. It should be noted that the ratio of 5.08 per cent for tobacco is obtained when the value of shipments excludes taxes collected at the manufacturing level. The above mentioned ratio decreases to 2.14 per cent, however, if the value of shipments includes taxes.

The similar remark should be made in connection with Table 15 showing advertising ratios in manufacturing for selected industries. For tobacco products manufacturers the ratio is 6.13 per cent when the value of shipments excludes taxes and 2.30 per cent when the amount for taxes is added to the total value of shipments.

Ratios are available only for industries and trades which are regularly covered by the Dominion Bureau of Statistics surveys, since there was no question on sales or revenues on the questionnaire used in this part of the study. DBS has no figure on which to base ratios for such business organizations as insurance companies, chartered banks, trust companies, etc.

Advertisers were asked to report external, internal and total advertising costs, as well as supplementary data on catalogues, window display and out-of-Canada expenditures. In order to calculate advertising expenditures as percentages of shipments or revenues for manufacturing establishments, total revenues for industries excluded non-manufacturing revenues and the value of inter-plant transfers.



Ratios of advertising expenditures shown for industry major groups and for all manufacturing were obtained by weighting the individual industry ratios according to their annual 1965 value of shipments. When examining the advertising ratios as they appear in Tables 14 and 15, one should

keep in mind that they reflect advertising expenditures at the manufacturing establishment level. If the expenditure actually occurs partly, or entirely, at some other level, such as wholesaling or retailing, then it is properly excluded here.

TABLE 15. Advertising Ratios in Manufacturing for Selected Industries, 1965

Industry	Ratio of advertising to shipments	Industry	Ratio of advertising to shipments
	%		%
Food and beverages:		Knitting mills:	
Meat products .....	0.36	Hosiery mills .....	2.01
Slaughtering and meat processors .....	0.39	Other knitting mills .....	0.76
Sausage and sausage casing manufacturers .....	1.16		
Poultry processors .....	0.15	Clothing:	
Dairy products: .....	0.65	Men's clothing .....	1.31
Dairy factories .....	0.53	Men's clothing factories .....	1.38
Process cheese manufacturers .....	2.97	Women's clothing .....	0.42
Fish products: .....	0.34	Women's clothing factories .....	0.45
Fruit and vegetables canners and preservers .....	2.97	Children's clothing .....	0.22
Grain mills: .....	1.85	Fur goods .....	0.26
Feed manufacturers .....	0.63	Hat and cap .....	1.21
Flour mills .....	2.11	Foundation garment .....	5.42
Breakfast cereal manufacturers .....	12.12	Other clothing .....	1.04
		Fabric glove manufacturers .....	1.00
Bakery products: .....	1.28	Miscellaneous clothing .....	1.07
Biscuit manufacturers .....	2.06	Wood:	
Bakeries .....	1.11	Sawmills .....	0.04
Other food processors: .....	3.83	Shingle mills .....	0.13
Confectionery manufacturers .....	4.78	Sawmills and planing mills .....	0.03
Sugar refineries .....	0.19	Veneer and plywood mills .....	0.33
Miscellaneous food .....	4.98	Sash, door and other millwork plants .....	0.44
Beverage manufacturers: .....	5.93	Miscellaneous wood .....	0.61
Soft drink manufacturers .....	8.20	Wood preservation .....	0.22
Distilleries .....	2.74	Wood handles and turning .....	0.17
Breweries .....	6.56	Miscellaneous wood n.e.s. ....	1.03
Wineries .....	3.99	Furniture and fixtures:	
Tobacco:		Household furniture .....	1.11
Tobacco products manufacturers .....	6.13 <sup>1</sup>	Office furniture .....	1.39
Rubber:		Other furniture .....	1.03
Rubber footwear manufacturers .....	0.61	Electric lamp and shade .....	0.31
Rubber tire and tube manufacturers .....	1.40	Paper and allied industries:	
Other rubber industries .....	1.26	Pulp and paper mills .....	0.24
Leather:		Asphalt roofing manufacturers .....	1.15
Shoe factories .....	1.15	Paper box and bag manufacturers .....	0.16
Luggage, handbag and other leather goods manufacturers .....	0.90	Folding and set-up box manufacturers .....	0.10
		Corrugated box manufacturers .....	0.19
Textile:		Paper and plastic bag manufacturers .....	0.18
Woollen mills .....	0.17	Other paper converters .....	1.28
Wool yarn mills .....	0.44	Printing, publishing and allied industries:	
Wool cloth mills .....	0.11	Commercial printing .....	0.43
Synthetic textile mills .....	1.05	Platemaking, typesetting and trade bindery plants .....	0.67
Other primary textile: .....	1.04	Publishing only .....	2.79
Cordage and twine .....	0.36	Printing and publishing .....	1.23
Carpet, mat and rug .....	1.11	Primary metal:	
Linoleum and coated fabrics .....	1.27	Iron and steel mills .....	0.16
Other textile:		Steel pipe and tube mills .....	0.16
Canvas products .....	0.88	Iron foundries .....	0.13
Miscellaneous textile .....	2.48	Smelting and refining .....	0.16
		Aluminum rolling, casting and extruding .....	0.26
		Copper and alloy rolling, casting and extruding .....	0.19

<sup>1</sup> If the value of shipments includes taxes, the ratio is 2.30.

TABLE 15. Advertising Ratios in Manufacturing for Selected Industries, 1965 - Concluded

Industry	Ratio of advertising to shipments	Industry	Ratio of advertising to shipments
	%		%
Metal fabricating (except machinery and transportation equipment):		Non-metallic mineral products - Concluded:	
Boiler and plate works .....	0.36	Stone products manufacturers .....	0.69
Ornamental and architectural metal .....	0.69	Mineral wool manufacturers .....	0.85
Wire and wire products .....	0.21	Absbestos products manufacturers .....	1.14
Hardware tool and cutlery manufacturers .....	3.41	Glass and glass manufacturers .....	0.33
Heating equipment manufacturers .....	0.84		
Machine shops .....	0.35	Petroleum and coal products:	
Miscellaneous metal fabricating .....	0.68	Petroleum refineries .....	1.14
		Petroleum refining .....	1.17
Machinery, (except electrical machinery):		Lubricating oils and greases manufacturers .....	0.36
Agricultural implement .....	0.98		
Miscellaneous machinery and equipment manufacturers .....	0.81	Chemical and chemical products:	
Commercial refrigeration and air conditioning equipment manufacturers .....	0.55	Explosives and ammunition manufacturers ..	0.65
Office and store machinery manufacturers ...	0.82	Mixed fertilizers manufacturers .....	0.72
		Pharmaceuticals and medicines manufacturers .....	8.65
Transportation equipment:		Paint and varnish manufacturers .....	3.32
Aircraft and parts manufacturers .....	0.17	Soap and cleaning compounds manufacturers	10.85
Motor vehicle manufacturers .....	1.27	Toilet preparations manufacturers .....	15.22
Truck body and trailer manufacturers .....	0.42	Industrial chemicals manufacturers .....	0.41
Motor vehicle parts and accessories manufacturers .....	0.60	Other chemical industries .....	2.85
Boatbuilding and repair .....	1.55	Printing ink manufacturers .....	0.32
Miscellaneous vehicle manufacturers .....	2.18	Other chemical industries .....	3.15
Electrical products:		Miscellaneous manufacturing:	
Small electrical appliances manufacturers ....	3.27	Scientific and professional equipment manufacturers .....	2.06
Major appliances manufacturers (electrical and non electrical) .....	1.90	Instrument and related products .....	1.86
Household radio and TV receivers manufacturers .....	3.00	Clock and watch manufacturers .....	6.70
Communications equipment manufacturers ....	0.47	Orthopaedic and surgical appliance manufacturers .....	4.77
Electrical industrial equipment manufacturers	0.62	Jewellery and silverware manufacturers ...	0.65
Battery manufacturers .....	1.20	Broom, brush and mop industries .....	2.65
Miscellaneous electrical products manufacturers .....	0.90	Venetian blind manufacturers .....	1.20
		Plastic fabricators .....	2.68
Non-metallic mineral products:		Sporting goods and toy industries .	3.68
Cement manufacturers .....	0.85	Sporting goods .....	1.37
Gypsum products manufacturers .....	1.26	Toys and games .....	6.50
Concrete products manufacturers .....	0.55		
Clay products manufacturers .....	1.01	Miscellaneous n.e.s.:	
From domestic clay .....	1.14	Button, buckle and fastener industry ....	1.36
From imported clay .....	0.85	Pen and pencil manufacturers .....	7.35
		Statuary, art goods, regalia, etc. ....	0.86
		Umbrella manufacturers .....	0.98
		Artificial ice manufacturers .....	0.15

TABLE 16. Advertising Ratios for Selected Trades, 1965

Trade	Ratio of advertising to sales	Trade	Ratio of advertising to sales
	%		%
<b>Wholesale trade (wholesale merchants)</b>		<b>Retail trade<sup>1</sup>—Concluded</b>	
Groceries (general line) .....	0.48	<b>Independent retail stores—Concluded:</b>	
Dry goods (general line) .....	0.15	<b>Hardware, furniture, appliance, radio and tele-</b>	
Piece goods .....	0.02	<b>vision stores:</b>	
Household electrical appliances .....	0.83	Hardware .....	0.92
Coal and coke .....	0.02	Furniture .....	2.75
Hardware .....	0.51	Paint, glass and wallpaper .....	1.20
Construction and building materials (other than		Household appliances .....	1.45
metal or wood) .....	0.39	Television sales and service .....	1.67
Industrial machinery, transportation equipment		Furniture, television, radio, and appliance .....	1.83
and supplies .....	0.47	Television and radio repair shops .....	1.56
Construction machinery and equipment (new and		Household appliance repair shops .....	1.21
used) .....	0.28	Floor coverings, curtains, upholstery and	
Commercial, professional and service equip-		interior decoration .....	1.59
ment and supplies .....	0.82	Antique shops .....	1.01
Automotive parts and accessories .....	1.05	<b>Automotive group:<sup>2</sup></b>	
Motor vehicles .....	1.76	Motor vehicle dealers .....	0.61
Paper and paper products .....	0.28	Used car dealers .....	2.13
Confectionery, soft drinks and tobacco .....	0.10	Accessories, tire and battery .....	0.93
Metals and metal work .....	0.30	Service stations .....	0.47
Plumbing, refrigeration and heating equipment		Garages .....	0.44
and supplies .....	0.21	Other automotive .....	1.55
Books, periodicals and news-papers .....	0.44	<b>Miscellaneous group:<sup>2</sup></b>	
Floor coverings .....	0.11	Fuel dealers (oil and other than oil) .....	0.47
Industrial chemicals .....	0.20	Drug stores .....	0.92
Electrical wiring supplies, construction mate-		Book and stationery stores .....	0.51
rials, apparatus and equipment .....	0.38	Cameras and photographic supplies .....	1.39
Grain .....	0.05	Jewellery .....	2.55
Lumber and millwork .....	0.30	Sporting goods .....	2.65
Farm machinery and equipment .....	0.58	<b>Retail chain stores:<sup>1</sup></b>	
<b>Retail trade<sup>1</sup></b>		Meat stores .....	1.31
<b>Independent retail stores:</b>		Combination (grocery stores with fresh meat) .....	1.43
<b>Food group:</b>		Dairy products .....	1.00
Grocery stores, without fresh meat .....	0.56	Children's and infants' wear .....	1.51
Combination stores, grocery stores with		Family clothing and furnishings .....	2.67
fresh meat .....	1.13	Furriers and fur .....	4.57
Meat markets .....	0.36	Men's and boys' clothing .....	4.52
Confectionery stores .....	0.09	Piece goods .....	2.71
Fruit and vegetable stores .....	0.19	Family shoe .....	1.95
Fish stores .....	0.35	Women's ready-to-wear .....	2.12
Delicatessen stores .....	0.74	Floor coverings, curtains, upholstery and	
Dairy products stores .....	1.52	interior decoration .....	3.18
Egg and poultry stores .....	0.17	Furniture .....	5.25
<b>Variety and general merchandise stores:</b>		Furniture, television, radio and appliance .....	2.31
General merchandise stores .....	2.03	Hardware stores .....	1.73
General stores (more than one-third foods) .....	0.38	General stores (more than one-third foods) ...	0.35
Variety stores .....	0.77	General merchandise stores .....	3.77
<b>Department stores<sup>2</sup></b>		Variety stores .....	1.03
<b>Clothing and piece goods stores:</b>		Drug stores .....	1.43
Men's and boys' clothing .....	1.87	Automobile dealers .....	0.61
Women's ready-to-wear .....	1.63	Accessories, tire, and battery shops .....	1.78
Lingerie and hosiery .....	1.26	Service stations .....	2.07
Millinery .....	0.95	Jewellery stores .....	4.31
Furriers and fur .....	2.70	Fuel dealers (other than oil) .....	0.79
Children's and infants' wear .....	1.31		
Family clothing and furnishings .....	1.68		
Children's and infants' shoe .....	1.99		
Family shoe stores .....	1.64		
Custom tailors .....	0.92		
Piece goods .....	1.37		
Miscellaneous apparel and accessories .....	1.24		

<sup>1</sup> Ratios taken from triennial DBS operating results studies.<sup>2</sup> Ratios taken from the survey of advertising expenditures, 1965.



TABLE 17. Advertising Ratios for Selected Service Trades, 1965

Trade	Ratio of advertising to sales	Trade	Ratio of advertising to sales
	%		%
Power laundries .....	0.99	Theatres, motion picture .....	5.45
Dry cleaning plants .....	2.02	Motion picture production .....	0.56
Hotels, full year .....	1.36	Restaurants (independent) .....	0.84
Film distributors .....	2.88	Restaurants (chain) .....	1.03

Wholesale trade ratios of advertising, see Table 16, are taken from the 1965 study of advertising. This procedure is quite different from the one adopted in 1954 when the majority of ratios were derived from the 1953 DBS survey of the operating results of wholesale trade.

All retail trade ratios (except for department stores automotive group and miscellaneous group) have been supplied by the triennial DBS operating results surveys.

Service trades covered annually by DBS were surveyed either on a sample basis or a full coverage basis for internal advertising cost and for total cost, from which ratios were calculated. In sampling, consideration was given to size of business, and compilations were carried out on a stratified basis to give proper weight to each size class.

TABLE 18. Main Increases in Advertising Ratios, 1965-1954

Industry	Advertising ratio		Industry	Advertising ratio	
	1965	1954		1965	1954
	%			%	
Flour mills .....	2.11	1.14	Pharmaceuticals and medicines manufacturers .....	8.65	6.07
Confectionery manufacturers .....	4.78	2.68	Scientific and professional equipment manufacturers .....	2.06	1.32
Sugar refineries .....	0.19	0.07	Clock and watch manufacturers .....	6.70	3.88
Breweries .....	6.56	2.19	Broom, brush and mop industry .....	2.65	2.01
Wineries .....	3.99	2.89	Toys and games .....	6.50	0.95
Carpet, mat and rug .....	1.11	0.87	Button, buckle and fastener industry .....	1.36	0.94
Hosiery mills .....	2.01	1.63	Pen and pencil manufacturers .....	7.35	6.24
Women's clothing factories .....	0.45	0.30	Umbrella manufacturers .....	0.98	0.28
Pulp and paper mills .....	0.24	0.10			
Hardware, tool and cutlery manufacturers	3.41	1.20			
Petroleum refining .....	1.17	0.88			

Advertising ratios for industries did not change to any great extent between 1965 and 1954. In some cases, however, important fluctuations occurred. In order to give a better idea of these changes, two

tables (18 and 19) were prepared to show industries which recorded especially large movements in their advertising ratios in the period of eleven years from 1954 to 1965.

TABLE 19. Main Decreases in Advertising Ratios, 1965 - 1954

Industry	Advertising ratio		Industry	Advertising ratio	
	1965	1954		1965	1954
	%			%	
Distilleries .....	2.74	3.50	Agricultural implement .....	0.98	1.20
Linoleum and coated fabrics .....	1.27	3.26	Battery manufacturers .....	1.20	2.34
Fur goods .....	0.26	2.55	Soap and cleaning compounds manufacturers .....	10.85	11.26
Foundation garment .....	5.42	6.38	Toilet preparations manufacturers .....	15.22	15.86
Electric lamp and shade .....	0.31	1.14	Sporting goods .....	1.37	1.80
Boiler and plate works .....	0.36	0.91	Statuary, art goods, regalia, etc. ....	0.86	1.62
Wire and wire products .....	0.21	0.51	Artificial ice manufacturers .....	0.15	0.96
Heating equipment manufacturers .....	0.84	2.23			







# ADVERTISING EXPENDITURES IN CANADA

## DÉPENSES PUBLICITAIRES AU CANADA

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## ADVERTISING EXPENDITURES IN CANADA

### DÉPENSES PUBLICITAIRES AU CANADA

1967

#### INTRODUCTION

This publication shows the estimated magnitude of expenditures incurred in the production and placement of advertising in Canadian media. Since the data are collected from Canadian production houses and media, advertising expenditures in this country by companies residing abroad are included. Media and production expenditures incurred abroad by Canadian companies (and government) are excluded. Also excluded is the value of imported advertising material, such as TV commercial films, printed matter, electrotypes, etc., manufactured abroad and imported into Canada.

The approach through media, production houses and advertising agencies (as concerns their commission), rather than an approach through advertisers, was adopted for reasons of economy. The Dominion Bureau of Statistics already conducts annual surveys of the major media and the printing and allied industries. The annual surveys were complemented by special survey projects, thus enabling publication of this report "Advertising Expenditures in Canada".

Advertising agencies' commissions are shown as a separate item in the list of advertising expenditures; they are not included in the media revenues quoted. The largest omission of expenditures is the "internal" costs of advertisers, i.e. the expenditures made by advertisers in running an advertising department. The last survey of internal costs was conducted for 1965. At that time it was found that they amounted to over 83 million dollars and accounted for 9.1 per cent of total advertising expenditures. Also omitted from expenditures are some production cost items especially those incurred in still photography, and payments to free-lance artists and performers.

Hence the components of this publication are: Advertising revenue by the printing, publishing and allied industries, radio, television and the bulk of the sign industry, transit system advertising, direct mail advertising, other miscellaneous advertising such as movie theatre advertising, advertising agencies' commissions, production costs including revenues by art studios, movie and recording studios and typographers.

It should be noted that not all advertising expenditures are incurred by commercial firms: advertising by charitable foundations and classified advertising in newspapers are examples.

La présente publication renferme des estimations des dépenses engagées dans la production et la diffusion de la publicité au Canada. Comme notre enquête s'adressait aux maisons de production et aux supports de publicité du Canada, les dépenses publicitaires des entreprises étrangères au Canada sont nécessairement comprises, tandis que celles des sociétés (ou des administrations publiques) canadiennes à l'étranger en sont exclues. Est aussi exclue la valeur des fournitures publicitaires importées, comme la publicité filmée pour la télévision, les imprimés, les galvanotypes, etc., de production étrangère.

Pour des raisons d'économie on a jugé préférable de s'adresser aux supports de publicité, aux maisons de production et aux agences de publicité (en ce qui concerne leur commission), plutôt qu'aux annonceurs. Le Bureau fédéral de la statistique effectue déjà des enquêtes annuelles sur les principaux supports de publicité ainsi que sur l'imprimerie et les industries connexes. Les enquêtes annuelles ont été accompagnées d'études spéciales, ce qui a permis de publier le présent bulletin sur les "Dépenses publicitaires au Canada".

Les commissions des agences de publicité occupent une place à part dans la liste des dépenses publicitaires; elles ne sont pas comprises dans les recettes des supports énumérés. Le poste de dépense le plus important que l'on a retranché est celui des frais "internes" des annonceurs, c.-à-d. ce que leur coûte le fonctionnement d'un service de publicité. Suivant la dernière enquête (1965) sur les frais internes, ceux-ci s'élevaient à plus de 83 millions de dollars, ce qui représente 9.1 p. 100 de l'ensemble des dépenses publicitaires. On a aussi supprimé certains frais de production, notamment les frais de photographie et les cachets versés aux artistes indépendants et aux exécutants.

La présente publication recouvre donc les recettes publicitaires de l'imprimerie, de l'édition et des industries connexes, de la radio, de la télévision et de la majeure partie de l'industrie des enseignes et étalages, les recettes de publicité dans les transports en commun, de publicité directe (par la poste) et de diverses autres formes de publicité (comme la publicité des salles de cinéma), ainsi que les commissions des agences de publicité, les frais de production, y compris les recettes des studios d'art, des studios de tournage et d'enregistrement et des typographes.

Il y a lieu de noter que ce ne sont pas seulement les sociétés commerciales qui ont des dépenses publicitaires: la publicité faite par les organismes de bienfaisance et les petites annonces des journaux en sont des exemples.

#### SECTION A

##### SUMMARY OF RESULTS

##### SOMMAIRE DES DONNÉES

Estimated advertising expenditures in Canada for 1967 amounted to \$967,603,701, while the Gross National Product reached \$62,109 million (DBS Catalogue No. 13-001). These figures indicate that Canadians devote roughly 1.6 per cent of the Gross National Product to

En 1967, selon les estimations, les dépenses publicitaires au Canada ont été de \$967,603,701, tandis que le produit national brut atteignait 62,109 millions de dollars (voir la publication numéro de catalogue 13-001 du B.F.S.). Ces chiffres démontrent que les Canadiens consacrent à peu près 1.6 p. 100

advertising expenditures. As pointed out previously this amount contains no estimate of internal costs of advertisers i.e., the cost of operating an advertising department. The proportion spent on advertising in relationship to the G.N.P. has remained comparable over the last thirteen years. This means that the growth rate in advertising expenditures has approximated that of the G.N.P.

The comparable figure for 1964 as shown in Table 1 is \$739,406,742 or 1.6 per cent of the G.N.P. for 1964, estimated at \$47,393 million (DBS Catalogue No. 13-001). The above expenditure total for 1964, constitutes a revision of the amount originally published in "Advertising Expenditures in Canada, 1964" (Catalogue No. 63-512). The 1964 total shown in Table 1 was adjusted in order to be fully comparable with the totals given for 1966 and 1967. The study of advertising expenditures in Canada led to the conclusion that such items as: "estimated value of imported advertising material" and "creative work performed by advertising agencies' staff", (which actually included mostly payments to free-lance artists and performers), should not be included in the list of miscellaneous items. The estimates for these two components together with other items formed the "Miscellaneous" section in the publication on advertising expenditures for 1964. The prevailing opinion is that such estimates are not sufficiently precise or inclusive and, therefore, probably misleading. Hence, the totals for advertising expenditures for 1966 and 1967 include neither figures for "imported advertising material" nor payments to free-lance artists or performers made by the advertising agencies.

The largest component of advertising expenditures is for goods, space and services of the printing, publishing and allied industries. Advertising revenue of these industries, representing an increase of 25.5 per cent and 6.1 per cent over 1964 and 1966 respectively, accounted for 56.9 per cent of total expenditures in 1967. The 1967 total of \$550,521,000 for printed advertising comprises \$405,736,000 as advertising revenue of Canadian newspapers and periodicals and \$144,785,000 for the printing of catalogues and other printed advertising matter. More detailed discussion of this subject may be found in the section "Printed Advertising" which follows.

Radio advertising revenue, at \$88,457,839, accounted for 9.1 per cent of the total, while television, recording an increase of 37.9 per cent and 10.8 per cent since 1964 and 1966 respectively, reached the amount of \$111,252,950 or 11.5 per cent of the total in 1967. Advertising agencies' commissions amounted to \$63,118,282.

Outdoor advertising accounted for \$84,494,008 and included advertising revenues of firms producing neon and other electric and non-electric signs, revenues of show card painters, sign writers, sign painters and other sign producers. Revenues of firms in other outdoor advertising activities, such as renting space, putting up billboard or poster displays, etc., and advertising matter in streetcars, buses and other transit systems are also included.

Direct mail (postage) amounted to \$35,319,450, recording virtually no change in this item during the last two years. Miscellaneous advertising revenues accounted for \$34,440,172 in 1967.

It should be noted that the following table (Table 1) shows data for 1964, 1966 and 1967. The 1965 data are not shown because in that year the advertising expenditure survey was conducted on a different basis. (In 1965 a survey of advertisers was conducted rather than a survey of media revenue.) Hence, the data in the 1965 survey are not comparable to those in 1964, 1966 and 1967.

du produit national brut à la publicité. Comme nous l'avons déjà précisé, ce montant ne comprend pas l'estimation des frais internes des annonceurs, c.-à-d. les frais de fonctionnement d'un service de publicité. La proportion des dépenses de publicité par rapport au P.N.B. demeure comparable au cours des treize dernières années. C'est à dire que le taux d'accroissement des frais de publicité a été relativement le même que celui du P.N.B.

Le chiffre correspondant de 1964 (au Tableau 1) est de \$739,406,742, soit 1.6 p. 100 du P.N.B., lui-même estimé à 47,393 millions de dollars (numéro de catalogue 13-001, B.F.S.). Ce chiffre des dépenses est le résultat d'une révision du chiffre publié à l'origine dans *Advertising Expenditures in Canada, 1964* (numéro de catalogue 63-512). Cette révision s'imposait pour que le total de 1964 soit parfaitement comparable à ceux de 1966 et de 1967. De l'étude des dépenses publicitaires au Canada, il a fallu conclure que des postes comme "Estimations de la valeur des fournitures publicitaires importées" et "Créations du personnel des agences de publicité" (ce dernier recouvrant surtout les cachets versés aux artistes indépendants et aux exécutants), ne doivent pas figurer dans la liste des postes divers. Les estimations relatives à ces deux éléments constituaient, avec d'autres postes, la section "Publicité diverse" de la publication sur les dépenses publicitaires de 1964. En général, on est d'avis que ces estimations pèchent par manque de précision ou par défaut d'exhaustivité et qu'en conséquence elles sont probablement trompeuses. Aussi, le montant total des dépenses publicitaires de 1966 et de 1967 ne comprend-il ni le coût des "fournitures publicitaires importées" ni les cachets des artistes indépendants ou des exécutants versés par les agences de publicité.

L'élément le plus important des dépenses publicitaires est celui qui se rapporte aux produits, à l'espace et aux services de l'imprimerie de l'édition et des industries connexes. En 1967, les recettes publicitaires de ces trois secteurs d'activité, ayant augmenté de 25.5 p. 100 et de 6.1 p. 100 par rapport à celles de 1964 et de 1966 respectivement, représentaient 56.9 p. 100 de l'ensemble des dépenses. En 1967, les recettes au titre de la publicité imprimée (\$550,521,000) se répartissaient comme suit: \$405,736,000 de recettes publicitaires des journaux et périodiques canadiens et \$144,785,000 pour l'impression de catalogues et d'autres imprimés publicitaires. On trouvera de plus amples détails à ce sujet dans la section suivante intitulée "Publicité imprimée".

En 1967, les recettes de publicité radiophonique (\$88,457,839) représentaient 9.1 p. 100 des recettes totales, tandis que celles de publicité télévisée ont augmenté de 37.9 p. 100 et de 10.8 p. 100 par rapport à 1964 et à 1966 respectivement, atteignant \$111,252,950, soit 11.5 p. 100 du montant total. Les commissions des agences de publicité ont été de \$63,118,282.

La publicité extérieure a rapporté \$84,494,008. Cette rubrique englobe les recettes publicitaires des producteurs d'enseignes au néon et d'autres enseignes lumineuses et non lumineuses, les recettes des peintres de pancartes, des peintres d'enseignes et des autres producteurs d'enseignes. Les recettes relatives à d'autres formes de publicité extérieure, par exemple la location d'espace, l'installation de panneaux-réclame ou d'affiches, etc., ainsi que les recettes des entreprises qui placent de la publicité dans les tramways, les autobus et dans les autres véhicules de transport en commun sont aussi comprises.

La publicité directe a rapporté \$35,319,450 soit à peu près la même chose que l'année précédente. Les recettes publicitaires diverses en 1967 ont été de \$34,440,172.

Il y a lieu de souligner que le tableau suivant (Tableau 1) donne les statistiques pour 1964, 1966 et 1967. Celles de 1965 n'apparaissent pas, étant donné que cette année-là l'enquête sur les dépenses publicitaires a été faite autrement. (En 1965, l'enquête a porté sur les annonceurs plutôt que sur les recettes des supports de publicité.) Ainsi, les statistiques de l'enquête de 1965 ne sont pas comparables à celles des enquêtes de 1964, de 1966 et de 1967.

TABLE 1. Estimated Advertising Expenditures in Canada, 1964, 1966 and 1967

TABLEAU 1. Dépenses publicitaires (estimations) au Canada, 1964, 1966 et 1967

Component -- Élément	1964	1966	1967	1967/1966 change -- Variation
	dollars			?
All components - Total - Ensemble des éléments .....	739,406,742	898,400,579	967,603,701	7.7
Printed advertising -- Publicité imprimée .....	438,535,473	518,792,000	550,521,000	6.1
Radio -- Publicité radiophonique .....	65,120,940	80,047,487	88,457,839	10.5
Television -- Publicité télévisée .....	80,662,036	100,391,057	111,252,950	10.8
Advertising agencies' commissions -- Commissions des agences de publicité .....	46,596,607	57,082,209	63,118,282	10.6
Outdoor advertising -- Publicité extérieure .....	46,674,758	73,975,379	84,494,008	14.2
Direct mail (postage only) -- Publicité directe (frais de poste seulement) .....	35,336,250	34,964,025	35,319,450	1.0
Miscellaneous -- Publicité diverse .....	26,480,678	33,148,422	34,440,172	3.9

## SECTION B

### ADVERTISING EXPENDITURE COMPONENTS

### ÉLÉMENTS DES DÉPENSES PUBLICITAIRES

#### Printed Advertising

#### Publicité imprimée

#### Newspapers and Periodicals

For many years the Dominion Bureau of Statistics published an annual report entitled "The Printing Trades". This publication ceased with the 1959 edition. For the years 1960 to 1962 statistics were issued in the following four publications: "Commercial Printing Industries"; "Engraving, Stereotyping and Allied Industries"; "Publishing Industry"; "Printing and Publishing Industry".

These four separate publications have now also been discontinued and beginning with 1963 only one publication is prepared with the title "Printing, Publishing and Allied Industries" (Catalogue No. 36-203). It shows advertising revenues as a separate item. The information compiled for that report has been used in the 1967 survey of advertising expenditures. Table 2 gives historical data of advertising revenue of Canadian newspapers and periodicals from 1956 to 1967. The data are broken down by type of publication. In Table 3 a distinction is made between advertising revenue for 1967 of newspapers and periodicals printed in publishers' own plants and advertising revenue of newspapers and periodicals not printed by the publishers. The total advertising revenue of Canadian newspapers and periodicals in 1967 amounted to \$405,736,000, an increase of 69.0 per cent over the 1956 revenue of \$240,097,308.

#### Other Printed Advertising

Table 4 gives data for "other printed advertising revenue", i.e. print advertising other than that appearing in newspapers and periodicals. The total revenue in this category was \$144,785,000, an 84.9 per cent increase over 1956. The largest single component, catalogues, accounted for \$35,909,000, or 25 per cent of the category. The remaining \$108,876,000 includes expenditures on the printing of calendars, circulars, price lists, fliers, folders, posters, etc.

#### Journaux et périodiques

Le Bureau fédéral de la statistique a longtemps publié un bulletin annuel intitulé "Les métiers de l'imprimerie". On a abandonné cette publication avec l'édition de 1959. Les statistiques se rapportant aux années 1960 à 1962 sont parues dans les quatre publications suivantes: "Industrie de l'imprimerie commerciale"; "Gravure, stéréotypie et industries connexes"; "Industrie de l'édition"; "Industrie de l'imprimerie et édition".

On a aussi abandonné ces quatre publications indépendantes, qu'on a remplacées en 1963 par un seul bulletin, qui a pour titre "Imprimerie, édition et industries connexes" (numéro de catalogue 36-203). Les dépenses publicitaires y sont traitées à part. Les renseignements recueillis pour ce bulletin ont servi à l'enquête de 1967 sur les dépenses publicitaires. Le Tableau 2 donne les statistiques chronologiques des recettes publicitaires des journaux et périodiques canadiens de 1956 à 1967, par genre de publication. Au Tableau 3, on fait une distinction, pour 1967, entre les recettes publicitaires des journaux et périodiques imprimés dans les ateliers des éditeurs et celles des journaux et périodiques imprimés ailleurs. En 1967, l'ensemble des recettes publicitaires des journaux et périodiques canadiens atteignaient \$405,736,000, soit 69.0 p. 100 de plus qu'en 1956 (\$240,097,308).

#### Autre publicité imprimée

Le Tableau 4 présente des statistiques sur les "recettes provenant des autres formes de publicité imprimée" c.-à-d. de la publicité imprimée ailleurs que dans les journaux et périodiques. Dans cette catégorie, les recettes globales ont été de \$144,785,000, soit 84.9 p. 100 de plus qu'en 1956. L'élément le plus important, soit les catalogues, a rapporté \$35,909,000, ce qui représente 25 p. 100 des recettes de cette catégorie. Les autres \$108,876,000 proviennent de l'impression de calendriers, de circulaires, de listes de prix, de prospectus, de dépliants, d'affiches, etc.



It should be noted that the \$144,785,000 does not include most of the expenditures on the creative work needed in the production of print advertising, i.e. the internal cost of advertisers, or their expenditures with free-lance artists, copywriters, photographers, retouchers, etc.

Il y aurait lieu de noter que le montant de \$144,785,000 ne comprend pas la plupart des dépenses relatives au travail de création qui entre dans la production de la publicité imprimée, c.-à-d. les frais internes à la charge des annonceurs, ou les sommes versées aux artistes indépendants, aux rédacteurs, aux photographes, aux retoucheurs, etc.

TABLE 2. Advertising Revenue of Canadian Newspapers and Periodicals, 1956-1967

TABEAU 2. Recettes publicitaires des journaux et périodiques canadiens, 1956-1967

Year -- Année	Newspapers -- Journaux			Magazines of general circulation -- Revue de diffusion générale	Trade technical and scientific publications -- Publications spécialisées, techniques, et scientifiques	Agricul- tural publi- cations -- Publi- cations agricoles	All other -- Autres publi- cations	Total
	Daily	National	Weekly,					
	--	week-end	semi-weekly,					
	Quotidiens	--	tri-weekly					

TABLE 3. Advertising Revenue of Canadian Newspapers and Periodicals, by Classes, 1967

TABEAU 3. Recettes publicitaires des journaux et périodiques canadiens, par catégorie, 1967

Class -- Catégorie	Periodicals printed in publishers' own plant -- Périodiques imprimés dans les ateliers des éditeurs	Periodicals not printed by the publishers -- Périodiques non imprimés par les éditeurs	Total
	dollars		
Newspapers, daily -- Journaux, quotidiens .....	239,469,000	341,000	239,810,000
Newspapers, national week-end -- Suppléments de fin de semaine (nationaux) .....	40,248,000	18,608,000	58,856,000
Weekly and semi-weekly -- Hebdomadaires et bihebdomadaires .....			
Controlled distribution, weekly newspapers -- Journaux hebdo- madaires, tirage justifié .....	361,000	1,454,000	1,815,000
Magazines of general circulation -- Revues de diffusion générale	9,972,000	12,968,000	22,940,000
Telephone and city directories -- Annuaires des téléphones et bottins municipaux .....	264,000	39,886,000	40,150,000
Trade, technical and scientific publications -- Publications spécialisées, techniques et scientifiques .....	16,016,000	16,413,000	32,429,000
Agricultural publications -- Publications agricoles .....	4,021,000	2,015,000	6,036,000
Religious publications -- Publications religieuses .....	177,000	307,000	484,000
School and collegiate publications -- Journaux scolaires .....	(1)	(1)	147,000
Fraternal publications -- Publications de sociétés fraternelles	(1)	(1)	340,000
Juvenile publications -- Publications pour la jeunesse .....	(1)	(1)	12,000
Other periodicals -- Autres périodiques .....	2,356,000	860,000	2,717,000
Newspapers and periodicals - Total - Journaux et périodiques	312,884,000	92,852,000	405,736,000

(1) Included with "All other periodicals". -- Compris dans "Autres périodiques".

TABLE 4. Other Printed Advertising Revenue, 1956-1967

TABLEAU 4. Recettes provenant des autres formes de publicité imprimée, 1956-1967

Year -- Année	Catalogues	All other printed books chiefly for advertising -- Tous autres livres destinés surtout à des fins publicitaires	All other printed matter -- Autres imprimés	Total
dollars				
1956 .....	16,422,405	5,277,934	56,619,521	78,319,860
1957 .....	17,812,529	5,654,609	60,093,857	83,560,995
1958 .....	17,365,913	5,358,598	60,812,195	83,536,706
1959 .....	21,759,925	(1)	56,998,721	78,758,646
1960 .....	23,134,516	(1)	62,192,010	85,326,526
1961 .....	23,193,406	(1)	66,992,595	90,186,001
1962 .....	23,428,785	(1)	69,551,093	92,979,878
1963 .....	26,406,000	(1)	76,676,000	103,082,000
1964 .....	26,608,000	(1)	84,346,000	110,954,000
1965 .....	30,624,000	(1)	90,091,000	120,715,000
1966 .....	32,590,000	(1)	101,469,000	134,059,000
1967 .....	35,909,000	(1)	108,876,000	144,785,000

(1) Included with "All other printed advertising matter". -- Compris dans "Autres imprimés".

#### Radio and Television

Information which appears in this section has been published by the Dominion Bureau of Statistics which annually surveys the Canadian broadcasting industry. The data are compiled from information contained in DBS questionnaires, which were completed by the Canadian Broadcasting Corporation and the licencees of the private commercial broadcasting stations in operation during 1967. These questionnaires have been designed to serve the requirements of the Canadian Radio-Television Commission, the Department of Transport and the Dominion Bureau of Statistics.

Table 5 reveals that for 1967, in Canada, advertising revenue in broadcast media totalled \$199,710,789 of which \$88,457,839 was for radio and \$111,252,950 was for television. In comparison with 1964 the advertising revenue of radio stations increased by roughly 36 per cent and that of television stations by 38 per cent. All such media totals exclude advertising agencies' commissions. To obtain the total of advertisers' expenditures in broadcast media, the commission of advertising agencies should be added to these amounts (see Table 6). Even then certain components will be missing: the production of commercials, as it is not undertaken by the station but by a film or recording studio, is included under "Miscellaneous Advertising Expenditure" (see Table 1); fees paid to advertising agencies for the production of commercials or for arranging the production or for the creative work, imported commercials and several other expenditure items have had to be excluded from this report altogether.

#### Publicité radiophonique et télévisée

Les renseignements de la présente section ont déjà été publiés par le Bureau fédéral de la statistique à l'occasion de l'enquête annuelle sur la radiodiffusion canadienne. Ils sont tirés des questionnaires du B.F.S. remplis par la Société Radio-Canada et par les stations commerciales privées en activité en 1967. Les questionnaires employés étaient conçus pour répondre aux besoins à la fois du Conseil de la radio-télévision canadienne, du ministère des Transports et du Bureau fédéral de la statistique.

Le Tableau 5 montre qu'en 1967 les recettes publicitaires de la radiodiffusion au Canada ont été de \$199,710,789, dont \$88,457,839 pour la radio et \$111,252,950 pour la télévision. En comparaison de 1964, les recettes publicitaires des stations de radio ont augmenté en gros de 36 p. 100, et celles des stations de télévision, de 38 p. 100. Ces chiffres ne tiennent pas compte des commissions des agences de publicité. Pour connaître le montant total qu'ont versé les annonceurs aux radio-diffuseurs, il faut ajouter la commission des agences de publicité (voir Tableau 6). Et même là il manquera certains éléments: la production de messages publicitaires, quand ils ne sont pas l'oeuvre de la station mais plutôt d'un studio de tournage ou d'enregistrement, est comprise dans les dépenses publicitaires diverses (voir Tableau 1); il a fallu exclure entièrement du présent bulletin les montants versés aux agences de publicité pour la production de messages publicitaires ou pour le travail de création, le coût des messages publicitaires importés ainsi que plusieurs autres postes de dépense.

All private commercial broadcasting stations and the Canadian Broadcasting Corporation were surveyed to obtain their net revenue from advertising. It should be noted that the data reported for privately owned stations are for the 1967 calendar year while the CBC reported for the fiscal year 1967-68. The net revenue from advertising included charges billed either directly to advertisers or through advertising agencies and consists of station time, program cost, advertising production and talent costs, announcers' fees and line charges. All broadcasting stations report advertising revenue received from network, national and local advertising net of advertising agency commissions.

Network advertising revenue consists of revenue received for advertising when a station is attached to a network. Arrangements are generally made by the advertiser or his agency directly with the CBC or with the other networks. In the case of a non-CBC network, arrangements may also be made with individual stations. These individual stations show as network advertising revenue only the amount that was received from the network. National advertising represents those programs and spot announcements where the advertiser, or his agency, makes all arrangements directly with the network and pays at a national rate. Such advertising is generally for a manufacturer and need not be national in broadcast coverage. Local advertising revenue is revenue received from local or district advertisers (mostly retailers) for programs and announcements broadcast on a non-network basis.

Excluded from this report entirely are the production or talent costs for commercials made in other countries but channelled through Canadian networks.

On a fait enquête auprès de tous les radiodiffuseurs privés et de la Société Radio-Canada afin de connaître leurs recettes nettes provenant de la publicité. A remarquer que les données relatives aux stations privées sont celles de l'année civile 1967, alors que les renseignements relatifs à la Société Radio-Canada se rapportent à l'exercice financier 1967-68. Les recettes nettes provenant de la publicité sont les montants facturés soit directement aux annonceurs, soit par l'entremise d'agences de publicité, et représentent la valeur du temps d'antenne, le coût des émissions, le coût de production des annonces et les cachets des artistes, la rétribution des annonceurs et les frais d'utilisation de lignes. Toutes les stations de diffusion déclarent les recettes provenant de la publicité de réseau et de la publicité national ou locale, sans compter les commissions des agences de publicité.

Les recettes provenant de la publicité de réseau sont les recettes publicitaires d'une station qui est rattachée à un réseau. En général, c'est l'annonceur ou son agence qui traite directement avec Radio-Canada ou avec les autres réseaux. Dans le cas des réseaux autres que Radio-Canada, il est aussi possible de traiter avec les stations individuelles. Ces dernières ne déclarent comme recettes de publicité du réseau que le montant provenant du réseau. La publicité nationale s'entend des émissions et des annonces-éclairés ou l'annonceur, ou son agence, traite directement avec le réseau et paie au taux national. Ce genre de publicité s'emploie en général dans le cas d'un fabricant, et n'a pas besoin de diffusion nationale. Les recettes provenant de la publicité locale sont les montants payés par les annonceurs locaux (détailants pour la plupart) pour la diffusion d'émissions ou d'annonces autres que sur le réseau.

Sont entièrement exclus du présent bulletin les coûts de production ou les cachets des artistes lorsqu'il s'agit de messages publicitaires réalisés dans d'autres pays mais diffusés par l'entremise des réseaux canadiens.

TABLE 5. Advertising Revenue of Radio and Television Stations, by Type of Program, 1966 and 1967

TABLERAU 5. Recettes publicitaires des stations de radio et de télévision, par genre d'émission, 1966 et 1967

Media - - Support	Network and national - - Publicité sur réseau et publicité nationale	Local - - Publicité locale	Total
		dollars	
<u>1966</u>			
Radio .....	32,843,780	47,203,701	80,047,487
Television .....	81,567,546	18,823,511	100,391,057
Total .....	114,411,326	66,027,218	180,438,544
<u>1967</u>			
Radio .....	36,620,391	51,837,448	88,457,839
Television .....	90,138,848	21,114,102	111,252,950
Total .....	126,759,239	72,951,550	199,710,789



## Advertising Agencies

Advertising agencies act as intermediaries between the advertisers and the various media in which the advertising is placed. On behalf of their clients, advertising agencies make contracts for space or time with the media. They engage in the preparation of advertising material and advise their clients in a number of respects regarding their advertising program. The accredited agencies usually operate on a commission basis with the media through which they place their clients' advertising.

In 1967, 176 advertising agencies operated in Canada, an increase of 11 over 1966 and 27 over 1964. Their total commissionable billings amounted to \$420,092,360 (\$154,467,028 in 1954) on which they received commissions amounting to \$63,118,282, an increase of 171.7 per cent over 1954. As already pointed out, the various media figures do not include the commissions of accredited advertising agencies. The amount of agencies' gross revenue from commissionable billings must, therefore, be taken into consideration to produce an estimate of total advertising expenditures for 1967.

The information shown on advertising agencies in this section of the report is available in much greater detail from the regular annual DBS publication issued under the title "Advertising Agencies, 1967", Catalogue No. 63-201. Table 6 of the present report shows the percentage distribution of commissionable billings by medium and agency commissions for the period from 1956 to 1967.

## Agences de publicité

Les agences de publicité font fonction d'intermédiaires entre les annonceurs et les divers supports publicitaires. Les agences de publicité négocient avec les supports publicitaires, pour le compte de leurs clients, les contrats d'achat d'espace ou de temps. Elles s'occupent de la préparation de leurs programmes de publicité. Les agences agréées travaillent ordinairement à la commission (qui leur est versée par les supports publicitaires dans lesquels ils placeront la publicité de leurs clients).

En 1967, il y avait au Canada 176 agences de publicité en activité, soit 11 de plus qu'en 1966 et 27 de plus qu'en 1964. La valeur totale de leur publicité à la commission a été de \$420,092,360 (\$154,467,028 en 1954), sur laquelle elles ont touché une commission de \$63,118,282, soit 171 p. 100 de plus qu'en 1954. Comme on l'a déjà signalé, les chiffres des recettes des divers supports publicitaires ne comprennent pas les commissions des agences de publicité agréées. Il faut donc tenir compte des recettes brutes provenant de la publicité à la commission pour pouvoir établir une estimation des dépenses publicitaires pour 1967.

Les renseignements sur les agences de publicité qui figurent dans la présente section du bulletin sont présentés de façon beaucoup plus détaillée dans la publication du B.F.S. intitulée "Agences de publicité, 1967" (numéro de catalogue 63-201). Le Tableau 6 du présent bulletin donne la répartition de la publicité à la commission, par support publicitaire, ainsi que les commissions des agences pour la période 1956 à 1967.

TABLE 6. Percentage Distribution of Commissionable Billings by Medium and Agency Commissions, 1956-1967

TABEAU 6. Répartition de la publicité à la commission, par support publicitaire, et commissions des agences, 1956-1967

Year -- Année	Total commission- able billings -- Publicité à la com- mission, valeur totale	Percentage distribution of commissionable billings -- Répartition proportionnelle de la publicité à la commission						Agency commissions -- Commissions des agences
		Publi- cations	Other visual -- Autres moyens visuels	Production, artwork, printing, etc. -- Production, dessin publicitaire, impression, etc.	Radio	Television -- Télévision	Other -- Autres	
	dollars	per cent -- pourcentage						dollars
1956 .....	201,797,434	52.6	4.4	15.3	10.3	16.6	0.8	30,452,807
1957 .....	222,025,288	51.6	4.4	15.1	10.0	18.3	0.6	33,377,463
1958 .....	233,789,205	49.3	4.7	14.4	10.5	20.5	0.6	35,277,406
1959 .....	250,080,021	47.8	4.8	14.7	10.6	21.3	0.8	37,678,828
1960 .....	267,756,156	47.2	5.1	18.7	9.7	19.3	--	39,993,639
1961 .....	277,805,963	45.5	4.6	19.0	9.4	21.4	0.1	41,253,508
1962 .....	293,028,021	44.0	5.1	17.2	10.8	22.8	0.1	43,496,564
1963 .....	296,762,297	42.2	4.6	16.2	10.7	26.3	--	44,270,021
1964 .....	311,332,070	40.4	3.9	18.4	10.5	26.7	0.1	46,596,607
1965 .....	354,650,007	39.5	3.7	18.9	10.4	27.4	0.1	52,883,006
1966 .....	392,542,021	38.8	3.4	19.5	10.5	27.8	--	57,082,209
1967 .....	420,092,360	37.2	3.5	18.5	11.3	29.1	0.4	63,118,282

-- Amount too small to be expressed. -- Montant infime.

## Outdoor Advertising

Table 7 shows the two components of expenditures for outdoor advertising. The amount of \$62,576,000, represents the estimated advertising revenue of manufacturers of neon and other electric and non-electric signs. It has been arrived at by adjusting the data published in the Dominion Bureau of Statistics publication "Signs and displays Industry, 1967", (Catalogue No. 47-209) in accordance with information obtained from important producers. This component has increased sharply during the last couple of years. The expansion is caused, on one hand, by a strong demand for goods and services of sign manufacturers, and, on the other, by the inclusion of data from some manufacturers who were out-of-scope during the previous years.

The second component, \$21,918,008 comprises, as indicated in the description, several different types of advertising expenditure which could not be published separately because relatively small numbers of firms are engaged in the production of any one type of advertising material or service. Hence, the individual types of expenditure had to be suppressed to prevent disclosure of confidential information. This information was obtained by a special mail survey of the firms concerned.

TABLE 7. Outdoor Advertising, 1967

TABLEAU 7. Publicité extérieure, 1967

Component - - Élément	Amount - - Montant
	\$
Neon and other electric and non-electric signs -- Enseignes au néon et autres enseignes lumineuses et non lumineuses .....	62,576,000
Firms in other outdoor advertising business (renting space, putting up billboards or other displays, placing advertising matter in streetcars, buses and other transit systems and so forth); advertising revenue of other sign producers, show card writers, sign painters, etc. -- Autres formes de publicité extérieure (location d'espace, montage de panneaux-réclame ou autres genres d'affiches, placement de publicité dans les tramways, les autobus ou les autres véhicules de transport en commun et ainsi de suite); recettes publicitaires des autres producteurs d'enseignes, des peintres de pancartes, des peintres d'enseignes, etc. ....	21,918,008
Total .....	84,494,008

## Direct Mail Advertising

An arbitrary estimate of 75 per cent of total third-class mail was used to arrive at the postal charge for direct mail advertising of \$35,319,450 in 1967 compared with \$34,964,025 and \$35,336,250 for 1966 and 1964 respectively. To arrive at a more complete estimate of direct mail advertising expenditure, the major portion of \$15,868,531 shown in Table 8 for coupon redemption houses, direct mail houses etc., should be included. Furthermore a large proportion of the \$144,785,000 on print advertising (i.e. the total amount spent on printed advertising, see Table 1, less the total amount spent in print media, see Table 2) will have found its way through direct mail.

## Publicité extérieure

Le Tableau 7 indique les deux éléments des dépenses en publicité extérieure. Le montant de \$62,576,000 représente la valeur estimative des recettes publicitaires des fabricants d'enseignes au néon et d'autres enseignes lumineuses et non lumineuses. On est arrivé à ce résultat en rectifiant les statistiques parues dans la publication du Bureau fédéral de la statistique intitulée Signs and Displays Industry, 1967 (numéro de catalogue 47-209), d'après les renseignements fournis par les grands producteurs. Il y a eu une forte augmentation dans cet élément au cours des deux dernières années. L'expansion s'explique d'une part par le fait que les produits et les services des fabricants d'enseignes sont très en demande et, d'autre part, parce qu'on a pris en compte les données de certains fabricants qui n'avaient pas été couverts par les enquêtes des années précédentes.

Le deuxième élément, dont la valeur des recettes s'élève à \$21,918,008, englobe, comme on le précise dans la description, différents genres de dépenses publicitaires dont les chiffres ne pourraient pas être publiés séparément vu le nombre relativement faible des entreprises qui s'occupent de l'une ou l'autre de ces formes de publicité. Il a donc fallu grouper ces divers postes, de manière à protéger le secret statistique. Les renseignements proviennent d'une enquête spéciale par la poste effectuée auprès des entreprises intéressées.

## Publicité directe

Si l'on pose arbitrairement que 75 p. 100 de tout le courrier de troisième classe est de nature publicitaire, on établit que les frais de poste pour la publicité directe en 1967 ont été de \$35,319,450 contre \$34,964,025 en 1966 et \$35,336,250 en 1964. Pour avoir une estimation plus juste des dépenses en publicité directe il faudrait prendre en compte la plus grande partie des \$15,868,531 qui figurent au Tableau 8 en regard de "Maisons de rachat des coupons, maisons de publicité directe, etc.". De plus, une bonne partie des \$144,785,000 affectés à la publicité imprimée diverse (c.-à-d. le montant total dépensé en publicité imprimée - Tableau 1 - moins le montant total versé aux journaux et périodiques - Tableau 2) sont des frais de poste.

TABLE 8. Miscellaneous Advertising Expenditures, 1967

TABLEAU 8. Dépenses en publicité diverse, 1967

Component - - Élément	Amount - - Montant
	\$
Theatre screenings of advertising films -- Projection des films publicitaires dans les cinémas .....	117,880
Production of motion picture films in Canada used for advertising purposes -- Production de films au Canada à des fins publicitaires .....	4,600,000
Advertising work of commercial artists -- Travail de publicité des dessinateurs publicitaires .....	9,561,806
Coupon redemption houses, direct mail houses and houses dealing in advertising specialties -- Maisons de rachat des coupons, maisons de publicité directe et maisons de spécialités publicitaires .....	15,868,531
Window display service -- Service d'étalages .....	1,392,612
Door-to-door household delivery -- Livraison à domicile .....	2,899,343
Total .....	34,440,172

Miscellaneous

Miscellaneous items of advertising expenditures for which data are available totalled \$34,440,172 in 1967 against \$33,148,422 in 1966 and \$14,482,476 in 1954. The chief component in this section represents the estimated advertising revenue of coupon redemption houses, direct mail houses and houses dealing in advertising specialties. In spite of every effort made in this survey, there is a possibility that not all advertising specialty houses were covered. Advertising revenue of commercial art studios was estimated to account for \$9,561,806 in 1967, but this will exclude the revenue of many free-lance artists who work out of their homes. The advertising revenue of graphic houses and other commercial studios is included in this amount. Production of motion picture films in Canada used for advertising purposes is estimated to be roughly \$4,600,000 according to Table 8. Lesser amounts represent such items as: window display service, door-to-door household delivery and theatre screenings of advertising films.

Publicité diverse

Les dépenses de publicité diverse en 1967, d'après les renseignements qu'on possède, ont atteint \$34,440,172 contre \$33,148,422 en 1966 et \$14,482,476 en 1954. Le principal élément de cette section représente l'estimation des recettes publicitaires des maisons de rachat de coupons, des maisons de publicité directe et des maisons de spécialités publicitaires. En dépit des efforts déployés dans l'enquête, il se peut que toutes les maisons de spécialités publicitaires n'aient pas été prises en compte. En 1967, les recettes des ateliers de dessin publicitaire ont été de \$9,561,806 (valeur estimative), mais ce chiffre ne comprend pas les revenus des nombreux artistes indépendants qui travaillent à domicile. Les recettes publicitaires des maisons d'art graphique et des autres ateliers commerciaux sont comprises dans ce montant. D'après le Tableau 8, la production de films à des fins publicitaires à rapporté en gros des recettes estimatives de \$4,600,000. Les montants sont moins importants dans le cas des postes suivants: service d'étalages, livraison à domicile et projection de films publicitaires dans les cinémas.













